

VZCZCXRO3622
PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #0351/01 0472300
ZNR UUUUU ZZH
P 162300Z FEB 09
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 0794
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RHMFIUU/USFJ //J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
RUAYJAA/CTF 72
RUEHNH/AMCONSUL NAHA 4783
RUEHFK/AMCONSUL FUKUOKA 2439
RUEHOK/AMCONSUL OSAKA KOBE 6226
RUEHNAG/AMCONSUL NAGOYA 0265
RUEHKSO/AMCONSUL SAPPORO 2990
RUEHBJ/AMEMBASSY BEIJING 7737
RUEHUL/AMEMBASSY SEOUL 3760
RUCNDT/USMISSION USUN NEW YORK 3723

UNCLAS SECTION 01 OF 19 TOKYO 000351

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: SPECIAL HOLIDAY EDITION OF THE DAILY SUMMARY OF JAPANESE
PRESS 02/16/09

INDEX:

- 1) Secretary Clinton arrives in Japan today (Tokyo Shimbun)
- 2) During Japan visit, Secretary of State to stress stance of placing priority on the U.S.-Japan alliance (Asahi)
- 3) Secretary Clinton to formally propose to China comprehensive strategic dialogue (Yomiuri)
- 4) In New York speech, Secretary Clinton says that U.S. is willing to normalize ties if North Korea scraps all nuclear programs (Tokyo Shimbun)
- 5) "Hillary-style diplomacy": Secretary in Asia stops to engage in direct dialogues with average citizens (Yomiuri)
- 6) Secretary Clinton to meet abductee families "as one mother to another" (Sankei)
- 7) Democratic Party of Japan President Ozawa agrees to meet Secretary Clinton but denies it will be substantive (Mainichi)
- 8) Secretary Clinton's visit to Japan an opportunity to solidify Japan, U.S., South Korea strategy toward North Korea (Sankei)
- 9) The significance of a meeting between Secretary Clinton and DPJ President Ozawa (Nikkei)
- 10) Foreign Minister Nakasone in meeting with Secretary Clinton to express willingness of Japan to host donor's conference to assist

Pakistan (Mainichi)

11) Editorial: We would like Japan to expand funding and personnel to assist Afghanistan (Yomiuri)

12) Japan's share of cost of relocating Okinawa Marines to Guam to include building facilities for Air Force and Navy personnel there as well (Asahi)

13) Plan laid out for escort of commercial ships by MSDF vessels in pirate-infested waters off Somalia (Sankei)

14) Defense Ministry boosting information gathering and analysis of African situation (Nikkei)

15) U.S. forces in Okinawa deploying missile detection equipment to catch possible launching by North Korea of Taepodong 2 (Sankei)

16) U.S. Air Force deploys reconnaissance planes to Okinawa on alert North Korea (Yomiuri)

17) U.S. Navy Aegis vessel bumps into sport fishing boat in Yokosuka Port but no one is hurt (Mainichi)

18) North Korea approaching Japanese officials and lawmakers recently regarding the abduction issue (Tokyo Shimbun)

19) Prime Minister Aso's popularity drops below the 10 PERCENT line in NTV opinion poll (Sankei)

TOKYO 00000351 002 OF 019

20) Ruling camp to propose large scale FY 09 supplementary budget (Nikkei)

21) Finance Minister Shoichi Nakagawa's strange behavior at news conference following G-7 meeting (Mainichi)

22) In bilateral meeting at G-7, Treasury Secretary Geithner, Finance Minister Nakagawa stress prevention of protection but skirt "Buy American" issue (Nikkei)

23) Geithner, Nakagawa agree to eliminate protectionist moves and restructure respective economies (Nikkei)

24) Bittersweet debut for Geithner at the G-7 (Mainichi)

Articles:

CLINTON DIPLOMACY LAUNCHES IN ASIA

1) State Secretary Clinton to arrive in Japan today

TOKYO SHIMBUN (Page 1) (Full)
February 16, 2009

United States Secretary of State Hillary Clinton will be arriving in Japan tonight. This will be the first Japan visit by a ranking official of the administration of President Barack Obama, as well as the first overseas trip by Clinton in her new role. She is scheduled to meet separately with Prime Minister Taro Aso and Foreign Minister Hirofumi Nakasone tomorrow. They are expected to confirm the importance of strengthening the Japan-U.S. alliance. With an eye on a change of government in Japan, Clinton is also slated to meet Democratic Party of Japan President Ichiro Ozawa.

Clinton is expected to ask the Japanese side to cooperate in the war on terrorism in Afghanistan, while Nakasone is likely to seek the cooperation of the U.S. to resolve the issue of past abductions of Japanese nationals by North Korean agents. In addition, they are expected to exchange views on how to deal with the North Korean nuclear development issue and the global financial crisis. Clinton and Nakasone will sign an accord on a plan to transfer U.S. Marines in Okinawa to Guam.

Clinton and Aso in their meeting are likely to take up a timetable

for a meeting between President Obama and Aso.

Clinton is also scheduled to meet family members of abduction victims. She will leave Japan on the morning of the 18th.

2) State Secretary Clinton to visit Japan today, ready to underscore stance of placing emphasis on Japan-U.S. alliance

ASAHI (Page 4) (Full)
February 16, 2009

United States Secretary of State Hillary Clinton will arrive in Japan today on her first overseas trip in her new role. Clinton will make a round of visits to Indonesia, South Korea, and China by Feb. 22 and underscore the importance that the administration of President Barack Obama places on relations with Asia, taking advantage of her name recognition in the region and strong presence

TOKYO 00000351 003 OF 019

in the administration.

Clinton specifies the upcoming visits to the Asian countries as "a sign of the new administration's willingness to take the time and effort to cooperate with its partners in Asia."

Personnel appointments for key posts in the State Department have yet to be determined. The new administration's policies have not been set, either. Clinton's visit to Asia before these arrangements are made is aimed to demonstrate to those countries the new administration's stance of placing emphasis on relations with them. She is also hoping to build ties with their top officials, rather than to produce actual results.

Clinton, during her stay in Japan until the 18th, will reconfirm the importance of the Japan-U.S. alliance, which she defines as a cornerstone of U.S. diplomacy toward Asia. She will meet Prime Minister Aso and Foreign Minister Nakasone. In addition, she is scheduled to meet Democratic Party of Japan President Ozawa, with an eye on a possible change of government in the near future.

North Korea's nuclear issue is likely to take center stage when she meets with leading Japanese officials. Arrangements have also been made for Clinton to meet with family members of Japanese abducted by North Korea. Clinton has said: "I would like to meet them not as the Secretary of State but as a wife, mother, daughter, and sister."

She is scheduled to visit Indonesia, which has the largest Islamic population in the world, on Feb. 18-19. She is expected to call there for a dialogue with Islamic society, as the Obama administration has advocated. During the visit to South Korea on the 19th and 20th, she will meet with President Lee Myung-bak and others. In the meeting, they are likely to confirm the need to improve South-North relations.

While in China from the 20th through the 22nd, Clinton will meet with President Hu Jintao, Premier Wen Jiabao, and Foreign Minister Yang Jiechi. Clinton has recognized favorable U.S.-China relations as indispensable for global peace and prosperity. Based on this view, she will call on the Chinese side to build bilateral ties that are based not on competition but on cooperation.

The Bush administration in its second term established a cooperative mechanism with China through strategic economic talks under the lead of the secretary of the treasury. Clinton, though, considers it is necessary to set up a mechanism for wider-ranging talks. In the meetings with the Chinese leaders, she will group for ways to strengthen forms of dialogues with China.

Special Envoy for Climate Change Todd Stern will accompany Clinton on her Asia tour. Cooperation between the two countries in containing global warming is likely to be another main topic in the meeting with the Chinese government officials.

3) Clinton to formally propose to China holding comprehensive strategic dialogue

YOMIURI (Page 2) (Full)
February 15, 2009

Satoshi Ogawa, Washington

TOKYO 00000351 004 OF 019

In a speech delivered in New York on Feb. 13, Secretary of State Hillary Clinton indicated the intention to propose to China the U.S. government's idea of initiating a top-level comprehensive strategic dialogue on politics, the economy and security. She said: "I want to consult with the Chinese leadership next week as to how to organize a bilateral dialogue that would be conducted by the State Department and Department of the Treasury."

According to U.S. diplomatic sources, the U.S. administration is considering setting up the framework of a regular dialogue between Vice President Joe Biden and Chinese Premier Wen Jiabao, because past low-level consultations failed to achieve sufficient results. Clinton will also discuss with Chinese leaders how she and Treasury Secretary Timothy Geithner would be involved in bilateral consultations.

4) Secretary Clinton in speech says U.S. willing to normalize relations with North Korea in return for its scrapping nuclear program; Announces meeting with families of abductees

TOKYO (Page 1) (Full)
Eve., February 14, 2009

By Nakahiro Iwata in New York

Prior to her trip to Asia, U.S. Secretary of State Clinton on Feb. 13 gave a speech at the Asia Society in New York. In it, she took a stance of being willing to normalize relations with North Korea, saying, "If North Korea is genuinely prepared to completely and verifiably eliminate its nuclear weapons program, the Obama administration would be willing to normalize bilateral relations, and replace the (Korean war) armistice agreement with a permanent peace treaty."

Secretary Clinton at the same time stressed that "it is North Korea's choice (on normalizing relations)." With signs of moves that North Korea is preparing to launch a Taepodong-2 long-range ballistic missile, she sought to constrain that country by saying, "It is incumbent on North Korea to avoid any provocative action."

In addition, she touched on the issue of Japanese abducted by North Korea, saying, "We will not forget the families of the abductees." She stated that during her visit to Japan, she would be meeting with the families of the abductee victims.

Clinton in mentioning the Japan-U.S. alliance stressed: "It will continue to be unshakable." She also praised the Japanese government's economic assistance to Pakistan and other contributions.

5) Secretary Clinton to hold direct dialogue with citizens in Asian countries

YOMIURI (Page 2) (Full)
February 15, 2009

Keiichi Honma, Washington

Setting up occasions to hold dialogues with college students and women's groups during her four-nation tour of Asian, U.S. Secretary

TOKYO 00000351 005 OF 019

of State Hillary Clinton will proactively carry out public diplomacy. Clinton herself hoped for direct exchanges with general citizens in the four Asian countries. It is reportedly said that Clinton will conduct her own style in carrying out U.S. foreign policy.

According to the Department of State, the Secretary will hold dialogue in the University of Tokyo on Feb. 17; and on the 20th in the Ewha Woman's University, one of the best-known universities in South Korea. She is also expected to hold a meeting with leaders of women's and civic groups on the 22nd in Beijing. "The Secretary will build partnerships with persons outside of the governments," a government official said.

6) U.S. Secretary of State Clinton to meet abductee families: "I will meet them as a mother"

SANKEI (Page 2) (Excerpts)
February 15, 2009

By Masako Nagato in New York and Takashi Arimoto in Washington

U.S. Secretary of State Hillary Clinton on Feb. 13 gave a speech in New York City in which she revealed that during her visit to Japan, she would be meeting with the families of Japanese abducted by North Korea. The Secretary, in a press interview by telephone after the speech, stated, "Rather than in my role as Secretary of State, I would like to meet the families as a wife, mother, daughter and sister." He took a stance of facing the abduction issue on a personal basis.

This will be the first opportunity for Secretary Clinton to meet with the abductee families. In the interview, she indicated her sympathy for the families, saying, "I cannot imagine the feeling of parents whose child has disappeared and there has been no word about that person for many long years." She stressed, "It is important that we do not forget the extremely painful feelings those parents experienced."

7) DPJ's Ozawa to meet Secretary Clinton just for "introducing each other"

MAINICHI (Page 2) (Full)
February 16, 2009

When asked by reporters yesterday in Wakayama City about the planned meeting tomorrow between U.S. Secretary of State Hillary Clinton and him, Ichiro Ozawa, president of the main opposition Democratic Party of Japan (DPJ), said: "Since there is no particular agenda, I think the purpose of the meeting is probably just to introduce each other." He indicated in his remarks that such specific issues as the relocation of U.S. Marine Corps' Futenma Air Station would not be taken up as agenda items.

Ozawa strongly criticized the government's idea of considering a supplementary budget for fiscal 2009, saying: "I think the judgment is a disgrace. The government should change or revise the budget for fiscal 2009. It appears to have admitted that the fiscal 2009 budget is a blemish."

EDITORIALS ON THE SECRETARY'S VISIT

TOKYO 00000351 006 OF 019

8) Editorial: Secretary Clinton to Japan - Time for Japan, U.S., South Korea to solidify on North Korea

SANKEI (Page 2) (Full)
February 15, 2009

U.S. Secretary of State Hillary Clinton arrives in Japan on Feb. 16 on the first leg of her Asia trip that also includes Indonesia, South Korea, and China. The aim in making Japan her first overseas stop since her appointment is to demonstrate to international audiences the priority the United States gives to its alliance with Japan.

In a speech prior to her overseas tour, Secretary Clinton said, "Our alliance with Japan has been and must remain unshakable." She continued, "We have not forgotten the families of Japanese citizens abducted to North Korea." She will meet with Prime Minister Aso on

Feb. 17 and then with the families of the abductees. Reportedly, the Secretary also will meet with Democratic Party of Japan President Ichiro Ozawa.

Under the Bush administration, the alliance relationship that Ambassador to Japan Schieffer used to call "stronger than ever" continued to develop. We welcome the expression of intent by the Obama administration to deepen alliance ties.

There are numerous issues of concern between Japan and the United States on the security front, such as the realignment of U.S. forces in Japan that includes the relocation of Futenma Air Station, and Japan's contributions to Afghanistan and other countries. Among the most worrisome and urgent challenges is the North Korea problem. North Korea has shown signs of preparing to launch a long-distance ballistic missile, and its officials have hinted to U.S. experts visiting that country it is building nuclear warheads to be mounted on such missiles. There are strong suspicions that the North is secretly enriching uranium.

Under the previous U.S. administration, Six Party Talks centered on the North Korea nuclear issue failed to confirm a nuclear verification regime. The talks ended up going nowhere, with the North taking for free such benefits as heavy-fuel assistance. The U.S., by removing the DPRK from its list of terrorist-sponsoring states, damaged Japan's trust in it, leading to the danger that the alliance would exist in name only. North Korea even took a stance of demanding that the U.S. negotiate with it as a nuclear power under a separate framework for talks. Such posturing by Pyongyang is unacceptable.

In order to avoid repeating such past failures, there needs to be a reconfirmation under the Obama administration of the solidarity and cooperation of Japan, the U.S., and the Republic of Korea (ROK), and a proper re-adjustment of the negotiating strategy toward North Korea. Fortunately, under the South Korean administration of President Lee Myung-bak, a new cooperative relationship is growing between Japan and the ROK. Ties between China and Russia also are strengthening. This chance to revamp the Six-Party Talks will never come again.

The Japanese government aims to resolve comprehensively the issues of the abductions, nuclear weapons, and missiles. We would like

TOKYO 00000351 007 OF 019

Secretary Clinton, who has strong interest in humanitarian and human-rights issues, to gain a sense of the seriousness of the abduction issue from the families of the victims. Moreover, it is essential to work simultaneously on the nuclear and missile issues.

Japan and the United States have long-range tasks that include building a strategic relationship with China. It is only natural that we urge the U.S. to pursue constant dialogue and consultations with Japan so that the alliance will not become a hollow shell.

9) Editorial: Meaning of Ozawa-Clinton meeting

NIKKEI (Page 2) (Full)
February 13, 2009

U.S. Secretary of State Hillary Clinton has sounded out Ichiro Ozawa, leader of the main opposition Democratic Party of Japan (DPJ), about holding a meeting during her visit to Japan. Clinton's request for a meeting with Ozawa probably stems from two concerns: One being anxiety about the administration of Prime Minister Taro Aso itself and the other being worry about an Ozawa administration, should the DPJ wrest power from the ruling Liberal Democratic Party. If Ozawa rejects the request, the U.S. government would deepen its concern about he and his party even more. (TN: The meeting has since been scheduled for Feb. 17.)

It is only natural that the international community is not optimistic about the future of the Aso cabinet, whose support rates have plunged to the 10 percent level in the polls. IN particular, Aso's flip-flopping on the postal-privatization process could result in damaging international confidence in his administration as other

countries question the weight of the Japanese government's decisions.

Whenever successive U.S. presidents and secretaries of state have visited the former Soviet Union and China, they have often met with dissident intellectuals. Since President Barack Obama has said his administration stresses the importance of U.S. relations with Japan, it is only natural politically for Secretary Clinton to ask for a meeting with Ozawa during her Japan visit, since there is a possibility of the DPJ taking over the reins of government in the next Lower House election that must be held by the fall. It may be diplomatically unusual but there are precedents for such in Tokyo.

When then President Bill Clinton visited Japan in July 1993 to attend the Tokyo summit, he held an informal meeting with Social Democratic Party Chairman Sadao Yamahana, Japan Renewal Party leader Tsutomu Hata and Japan New Party head Morihiro Hosokawa. The visit came just before a Lower House election. As a result of the election, a coalition government led by Hosokawa as prime minister was inaugurated. Yamahana and Hata joined the Hosokawa cabinet.

An Ozawa-Clinton meeting reminds us of a meeting in August 2007 between Ozawa and U.S. Ambassador to Japan Thomas Schieffer, which was opened to the media. The U.S. Embassy was perplexed at the meeting since such was diplomatically unusual. This time, Clinton has sought out Ozawa for a meeting in order to question him about his foreign policy.

The Ozawa-led DPJ has opposed Japan's refueling mission in the Indian Ocean and Japan's host nation support for stationing U.S.

TOKYO 00000351 008 OF 019

forces in Japan. The DPJ has called for relocating the U.S. Marine Corps' Futenma Air Station out of Okinawa to someplace overseas, as well as for a revision of the Japan-U.S. Status of Forces Agreement (SOFA). If there is no change in the DPJ's policy, friction will surely arise between the DPJ and the Obama administration. U.S. Democratic Party officials who visited Japan last December have already informed the Obama administration of their concern about the DPJ.

Will Ozawa accept Clinton's request for a meeting? Will he disclose the meeting to the press if he accepts as he did so when he had a meeting with Schiffer? This will serve as a tool to divine Ozawa's foreign policy.

JAPAN'S INTERNATIONAL CONTRIBUTIONS

10) Foreign Minister Nakasone to propose in meeting with Secretary Clinton holding international conference in Japan to support Pakistan

MAINICHI (Page 2) (Full)
February 16, 2009

During his meeting tomorrow with U.S. Secretary of State Hillary Clinton, Foreign Minister Hirofumi Nakasone has decided to propose a Japan initiative of holding an international conference in Tokyo to discuss assistance measures for Pakistan. Some analysts contend that Pakistan is now in danger of collapse due to the global financial crisis, and see the security in that country deteriorating. Japan intends to indirectly support the efforts of the administration of U.S. President Barack Obama, which has advocated a policy of giving priority to the war on terror in Afghanistan, by leading efforts to build an international framework to assist Pakistan.

Clinton will arrive in Tokyo tonight. She is expected to meet tomorrow morning with Nakasone. After the meeting, the two will hold a joint press conference in the afternoon.

In order to assist Pakistan, a meeting of the "friends" of that country was held last September in New York under the initiative of the United States and Britain. A total of 14 countries and organizations, including Japan, China and the United Nations, took part in the international conference. With the further deterioration of Pakistan's economic and security situations, the Japanese

government looked into the possibility of hosting a new conference in a bid to speed up efforts to strengthen assistance toward Pakistan. A Foreign Ministry official said that during bilateral talks between Tokyo and Washington, "The U.S. government has welcomed," the idea of holding an international conference in Japan. In order to hold such a meeting this spring, the Japanese government is expected to quickly obtain approval from Pakistan, the European Union (EU), China, and other countries. Japan wants to hold a cabinet-level meeting.

At the meeting tomorrow, Nakasone and Secretary Clinton will sign an agreement on the relocation of U.S. Marine Corps in Okinawa to Guam. The accord will stipulate that Japan's financial burden should be up to 2.8 billion dollars and that the money should be used only for the original purposes.

Clinton will meet also on the 17th with Defense Minister Hirokazu

TOKYO 00000351 009 OF 019

Hamada. She will next attend a tea party hosted by the Empress at the Imperial Palace. She will meet tomorrow night with Prime Minister Taro Aso and attend a dinner party he will host. After that, she will meet with Ichiro Ozawa, leader of the main opposition Democratic Party of Japan. She will leave Japan on the morning of the 18th.

11) Editorial: We would like to see expanded funds and human contributions to assist Afghanistan

YOMIURI (Page 3) (Full)
February 16, 2009

How can Afghanistan, which stands on the front line of the war on terror, be stabilized? Japan must now put in every effort to tackle this difficult challenge that for the next several years will continue to be a most important issue for the international community. The government has allocated in this year's second supplementary budget 30.1 billion yen in outlays to assist Afghanistan. The funds center on providing financial cooperation for police reforms and for the presidential election in the summer.

As Foreign Minister Nakasone pointed out to Afghan Foreign Minister Spanta during a telephone conversation, "This year will hold the key to stabilizing and bringing about the recovery of Afghanistan." There is no other common perception in the international community.

President Obama has raised the banner of giving priority to Afghanistan, and in order to deal with deteriorating law and order, he is considering a large increase - approximately 34,000 -- in U.S. troops stationed in that country. The countries of Europe, as well, are beefing up ISAF participation and tackling the nurturing of the Afghan military.

Lowering the threat of international terrorism through stabilizing Afghanistan will lead to peace and stability of Japan itself. Although there is no room for optimism about Afghanistan's future, Japan, too, must make every effort to enhance its assistance to that country.

Japan has announced assistance worth 2 billion dollars, ranking it next to the U.S. and Britain. Of this, 1.5 billion dollars has been disbursed. The funds are all for reconstruction efforts in different areas, such as public security, infrastructure building, education, insurance, and agriculture. We would like to see Japan use its brains to come up with even more effective projects.

The Foreign Ministry in April plans to send to the mid-portion of Afghanistan two or three employees. They will link up with a PRT (provincial reconstruction team) of Lithuanian troops deployed to that region and carry out non-reimbursable projects there such as construction of schools and clinics, professional training, and teaching children to write.

Although only a few personnel will be sent, there is great meaning in expanding the framework for Japan's human assistance framework that goes beyond simple financial aid. We would like to assistance

projects proactively conceived that will be helpful to the local inhabitants.

The government is coordinating to sponsor in Tokyo a cabinet-level

TOKYO 00000351 010 OF 019

conference as early as next month to assist Pakistan. As long as the international terrorist organization Al-Qaeda maintains a stronghold in border region of Pakistan adjacent to Afghanistan, there can be no hope for Afghanistan recovering its public security.

Large scale official development assistance (ODA) will help support the Pakistani government. It can be strategically applied to induce tribes in the border regions to separate from Al-Qaeda.

From the point of view of expanding human assistance, the option of dispatching the Self-Defense Forces to Afghanistan should not be ruled out. Under the current Diet situation, even though it is impractical to draft a new law for dispatching the SDF, after the Lower House election, basic consideration should be given to such contributions as sending Ground Self-Defense Force transport helicopters to that country.

ALLIANCE AFFAIRS

12) Contrary to government's explanation, 20.2 billion yen in Japan's contribution to Guam relocation to be used for building U.S. Navy, Air Force facilities

ASAHI (Top play) (Abridged slightly)
February 16, 2009

Takaki Doi

The government has produced a budget bill for fiscal 2009 that includes 34.6 billion yen as Japan's contribution to the planned relocation of U.S. Marines from Okinawa to Guam. It has become clear that of that amount, 20.2 billion yen would be appropriated for improving infrastructure, such as facilities of the U.S. Navy and Air Force on Guam. The government had earlier explained that Japan's contribution would be spent on building a command office and other facilities that would be necessary due to the relocation of the Marines. But Japan's contribution would be expanded to cover facilities that are not directly connected with the relocation.

In their talks on Feb. 17, Foreign Minister Hirofumi Nakasone and U.S. Secretary of State Hillary Clinton are expected to reach a formal agreement on the Guam relocation that includes items prohibiting (the United States) from using Japan's fund contributions for other purposes. The Defense Ministry's view is that the appropriations for Navy and Air Force facilities are connected with the relocation of the Marines. Nevertheless, the government's unclear explanation about the scope of expenses for infrastructure required for the Marines' relocation from Okinawa is likely to raise questions.

In its fiscal 2009 budget, the government has appropriated 34.6 billion yen as Japan's contribution to the Guam relocation. It has become clear through our interviews with the Defense Ministry that of that amount, 17.4 billion yen would be spent on the improvement of infrastructure in Guam's Apra Harbor in the U.S. Navy base and 2.8 billion yen on improving infrastructure on Andersen Air Force Base, such as land formation and a water and sewage project.

A Defense Ministry source referred to Japan bearing the cost of improving Navy and Air Force facilities as an approach that would facilitate the relocation most effectively and smoothly. Part of

TOKYO 00000351 011 OF 019

Apra Harbor would be improved for building the command office of the Marines port operating unit that would be relocated from Okinawa. Further, the port would be improved for visits by the assault force of the U.S. Sasebo base (Nagasaki Prefecture) that would be jointly operated with the Marines, according to the Defense Ministry.

On Andersen Air Force Base, an area will be improved for the construction of a Marines facility complex including the office building of the helicopter operation and control unit. For this reason, the government insists that it is part of the Marines relocation cost.

But according to a senior Defense Ministry official, the site for building the command office has yet to be determined at Apra Harbor. He also indicated that the project is not directly connected with the Marines relocation from Okinawa because operated at Andersen Air Force Base would be helicopters from bases other than Okinawa, such as Iwakuni Air Station in Yamaguchi Prefecture.

In line with the U.S. global strategy, there is a plan to relocate a variety of forces of the Army, Navy, Air Force, and Marine Corps to Guam from the continental United States. The relocation of U.S. Marines from Okinawa is only part of it, and one expert said, "It is difficult to clearly determine what are the facilities and infrastructure for the relocation from Okinawa." like this time, if the government approves disbursements that are unclearly connected with the Marines relocation, the scope of Japan's contributions might endlessly expand.

In 2006, an agreement was reached between Tokyo and Washington for Japan to contribute up to 2.8 billion dollars for building the command office and billets. On April 18, 2008, then Defense Minister Shigeru Ishiba told the House of Councillors Audit Committee: "Taxpayers' money will be used. Japan will pay strictly for the relocation of U.S. Marines from Okinawa to Guam." Even for an ally, it is extremely rare to use taxes for the improvement of a foreign base outside the country.

13) MSDF to convoy mercantile fleets in Somalia waters

SANKEI (Top play) (Full)
February 16, 2009

The Defense Ministry is planning to send the Maritime Self-Defense Force for an antipiracy mission in waters off the eastern African coast of Somalia, and the ministry revealed an outline of the mission yesterday. The MSDF will send out two destroyers in order to escort merchant ships on the front and in the rear. SH-60 patrol helicopters onboard the MSDF destroyers will watch out in flight over neighboring waters. The ministry estimates that it will take two days to pass through the 900-kilometer Gulf of Aden from one end to the other. Accordingly, the MSDF's convoy of mercantile fleets will be limited to the pace of once in four days at most.

The Defense Ministry will dispatch two MSDF destroyers in early March from the MSDF's Escort Flotilla 4, which is headquartered at the MSDF's Kure base, by invoking an action for maritime security operations under the Self-Defense Forces' Article 82. One of the two MSDF destroyers is the Sazanami (4,650 tons) and the Samidare (4550 tons). Each of the two destroyers can house two patrol helicopters in its hangar. However, the two destroyers' hangars cannot be used

TOKYO 00000351 012 OF 019

because an MSDF special security taskforce will use each destroyer's hangar for its special crafts. For this reason, each destroyer will have only one helicopter on board.

In maritime security operations, the MSDF's use of weapons will be limited to legitimate self-defense or emergency evacuation only. Due to this legal constraint, the MSDF destroyers-when deployed to waters off Somalia-will need to spot pirate ships before the pirates come close to merchant ships they escort, and the MSDF-convoyed fleet will change course. Then, how soon to turn around will be in focus. The MSDF destroyers' surface radar can cover only dozen kilometers, so the SH-60 patrol helicopter, which an MSDF source says can cover 300 kilometers away depending on its flying altitude, will have to undertake the critical role.

Each of the two SH-60 helicopters will be loaded with a 7.62-mm machinegun. If the spotted pirate ship refuses orders to stop, the SH-60 may fire warning shots in waters away from the MSDF-convoyed

fleet to stop the pirates.

A senior Defense Ministry official explains that the MSDF destroyers need at least two SH-60 patrol helicopters, including a backup, to provide for trouble or emergency reporting to naval ships from other countries. The Defense Ministry has now decided to have two MSDF destroyers acting in tandem with each other.

There are about six Japanese-registered and Japanese-related commercial ships passing daily through the Gulf of Aden. However, a pair of MSDF destroyers-when acting in tandem to escort a mercantile fleet-can only escort once or so in four days. Given this pace, a lawmaker of the ruling Liberal Democratic Party fears that there will be considerably many commercial ships that cannot be escorted. In addition, the Defense Ministry also deems it necessary for the MSDF destroyers to make a port call in Djibouti after every two shuttles. Including the mission's suspension for refueling purposes, the MSDF destroyers may have to reduce the pace of their escorting to once a week or so.

However, an MSDF source says only one MSDF destroyer can be enough to escort commercial ships if P-3C patrol aircraft is tasked with warning and surveillance to spot pirate ships. The Defense Ministry will therefore review how to have the two MSDF destroyers escort mercantile fleets after the P-3C's dispatch that is expected to be several months after the MSDF destroyers have been sent out.

14) Defense Ministry to add Africa analysts in order to expand information-collecting program

NIKKEI (Page 2) (Full)
February 14, 2009

With the expansion of the overseas role of the Self-Defense Forces (SDF), including overseas dispatching of troops for peacekeeping operations (PKO), the Ministry of Defense will expand its information gathering program starting in fiscal 2009. Given the increased opportunities for dispatches to Sudan and to the waters off Somalia for anti-piracy operations, the Ministry will increase intelligence analysts responsible for the African region, where the information grasped so far has been thin. It will establish next fiscal year within the Ground Self-Defense Force an occupational category of intelligence specialists who gather and analyze such

TOKYO 00000351 013 OF 019

information. The purpose in addition to being able to prepare for an emergency situation in the area surrounding Japan is also to be able to respond rapidly to requests for dispatches of the SDF overseas.

In strengthening intelligence analysis, an additional three SDF personnel will be posted from April to serve at the intelligence headquarters that is directly under the Defense Minister. The team will work to grasp the public security situation in each African country, as well as the living, sanitary, and environmental conditions, and the needs of the SDF being dispatched.

The government is searching for a new international contribution following the withdrawal of the Air Self-Defense Force from Iraq, from a strategic diplomacy perspective aimed at Japan gaining a permanent seat on the United Nations Security Council. The government is considering dispatching the SDF to Africa for anti-piracy operations, to Sudan to join UNMIS, to the PKO Center in Egypt and other PKO centers.

15) U.S. sends RC-135S aircraft to Okinawa to 'prevent' DPRK missile launch

SANKEI (Page 1) (Abridged)
February 15, 2009
(OSC translation)

In the wake of North Korea's preparation for launching the long-range ballistic missile "Taepodong-2 (Taepo Dong-2)," it was learned on 14 February that the US military has deployed ballistic missile tracking aircraft "RC-135S" (Cobra Ball) to Kadena Air Base (KAB) in Okinawa Prefecture. With US Secretary of State Hillary

Clinton, who has been critical of North Korea, arriving in Japan on 16 February, the United States apparently aims to strongly constrain took the military approach to coincide with the visit with an eye to strongly constrain North Korea from firing the missile. Meanwhile, the Self-Defense Force (SDF) has firmed up a plan to reinforce information gathering activities by electronic reconnaissance planes.

In the run-up to North Korea's firing of seven ballistic missiles including Taepodong-2 on 5 July 2006, the US military deployed a Cobra Ball aircraft to KAB beginning late May, or more than a month before the firing. Day after day, the aircraft carried out flights lasting many hours, and on the day when the missiles were launched, the aircraft was conducting a surveillance flight.

(Passage omitted on the main features of RC-135C)

This time round, the US military deployed two Cobra Ball aircraft at KAB, and the planes arrived successively from mainland United States on the night of 13 February. Although North Korea is not preparing for the (rumored) missile firing in a hurried manner, it is expected that the two planes will remain at KAB to constantly carry out reconnaissance flights related to Taepodong-2 missiles.

The US military possesses a total of three Cobra Ball aircraft. Some are taking the view that the US side deployed two of the three planes to KAB as a strong military demonstration to counter North Korea, which has been putting pressure on the Obama administration since immediately after the inauguration.

TOKYO 00000351 014 OF 019

North Korea has been preparing a missile launch at a Musudan-ri base in North Hamgyo'ng Province, the same base where North Korea fired a Taepodong-2 missile in 2006. North Korea began the preparation around late January, and it is said that a train carrying a freight of a cylindrical shape arrived in Musudan-ri in early February. South Korea's Yonhap news agency reported on 11 February that equipment necessary for a missile launch has been transported by vehicles.

In addition to these reports, it was learned on 12 February that a reconnaissance satellite discovered a convoy of vehicles heading to the base, but later the vehicles that made up the convoy could not be seen around the base. Some are taking the view that the vehicles are remaining inside a garage inside the base, and the personnel have been assembling a missile and carrying out other work to prepare for a missile launch.

In the wake of the preparation being advanced, the SDF will step up a watch by electronic reconnaissance planes. In particular, the Maritime SDF's "EP-3" and the Air SDF's "YS-11E," both of which collect signals from communications/electronic equipment, will carry out flights with more emphasis on the North Korean situation.

16) U.S. Air Force deploys reconnaissance planes to Okinawa on alert North Korea

YOMIURI (Page 2) (Full)
February 15, 2009

According to what the Defense Ministry has been informed, the U.S. Air Force urgently deployed on the night of Feb. 13 two RC-135S Cobra Ball aircraft to its Kadena Air Base in Okinawa Prefecture, in order to prepare for ballistic missile launch by North Korea.

According to media reports, North Korea reportedly appears to be preparing to test-launch its Taepodong-2 long-rang ballistic missile capable of carrying nuclear weapons at a launch base in its northeast. The deployment of Cobra Ball aircraft to Japan is the first time since July 2006 when North Korea launched seven ballistic missiles toward the Seat of Japan. Cobra Ball aircraft enable to observe the tracks of ballistic missiles and identify the efficiency of on-target impacts of missiles, by recording radio signals from missiles.

Reformed Taepondong-2 missiles with range of 10,000 km or longer are reportedly designed to reach the U.S. West Coast. Of the three Cobra Ball aircraft, the U.S. Air Force, are now deploying two aircraft to gather information.

17) U.S. Aegis ship collides with fishing boat

MAINICHI (Page 2) (Full)
February 16, 2009

The USS Lassen, a Yokosuka-based 9,200-ton Aegis-equipped destroyer of the U.S. Navy with an overall length of 155 meters, collided with the Sumomo II, a 14-ton fishing boat, in the port of Yokosuka off Natsushimacho, Yokosuka City, Kanagawa Prefecture, yesterday at around 12:25 p.m. The 43-year-old Sumomo II skipper, Seishi Hotoda, of Edogawa-ku, Tokyo, reported the collision to the Japan Coast

TOKYO 00000351 015 OF 019

Guard's 3rd Regional Coast Guard Headquarters. The fishing boat was damaged on the bow but returned to port on its own. The Lassen entered port. No injuries were reported. The JCG Yokosuka division is investigating the incident on suspicion of professional negligence resulting in dangerous traffic.

According to the JCG Yokosuka division, Hotoda was fishing for kisu (sillaginoid) with three friends after dropping anchor at a point in waters about 1.7 kilometers north of the U.S. Navy's Yokosuka base. The Lassen came near from the right rear and brushed against the fishing boat on the front starboard. The Lassen has two gouges, one to two meters long, near its middle portion on the port side and another scratch of around 30 centimeters on the stern. "They suddenly hit my boat," Hotoda was quoted as telling JCG officials.

The headquarters of U.S. Naval Forces Japan has released a comment, saying: "The USS Lassen stopped to check the boat's damage, and then entered the base in order to avoid standing in the way of other ships."

18) Pyongyang increasing contacts with Japan possibly with eye on dialogue with Japan

TOKYO SHIMBUN (Page 2) (Abridged slightly)
February 14, 2009

North Korea has been actively making contacts with sources connected with the Japanese government and several lawmakers regarding Japan-DPRK talks on the issue of Japanese nationals abducted and other matters, it was learned yesterday.

According to a source connected with the government, North Korea has contacted persons connected with the Japanese government and lawmakers since late last year through a variety of channels. The North has asked about Japan's political situation over policy toward the DPRK.

In working-level talks last August, Tokyo and Pyongyang agreed to set up an authoritative investigative committee on the abduction issue to produce result by fall. But following Prime Minister Yasuo Fukuda's resignation, the North has forgone a plan to reinvestigate (the fate of Japanese abductees), saying that it would watch the new Japanese administration's thinking.

Now that the administration of President Barack Obama, who advocates a dialogue policy course, has been launched, there is a possibility that the North has begun looking for a chance to dialogue with Japan as well, thinking that U.S.-DPRK talks and the six-party talks would again move forward.

But a government official remains pessimistic about the recent contacts bringing about progress right away, saying, "This seems to be the usual way for North Korea to shake things up."

POLITICAL AND ECONOMIC DEVELOPMENTS

19) Poll: Cabinet support falls below 10 PERCENT

TOKYO 00000351 016 OF 019

The support rate for the Aso cabinet has now dropped to 9.7 PERCENT , according to findings from a Nippon Television (NTV) poll released yesterday. The Aso cabinet's support rate has been on the decline due in part to Prime Minister Taro Aso's remarks over the privatization of postal services. However, this is the first time that the Aso cabinet's support rate has fallen below 10 PERCENT in a major news organization.

20) Major fiscal 2009 supplementary budget plan surfaces in ruling parties: "The scale would be 20-30 trillion yen," says senior LDP member

A plan to compile a large-size fiscal 2009 extra budget for the implementation of additional economic stimulus measures suddenly surfaced in the ruling parties on February 15. This is because it is viewed that the preliminary figure for the gross domestic product (GDP) in real terms for the 2008 October-December quarter, which the government will release on the 16th, will be significantly worse. Referring to the size of the proposed fiscal 2009 supplementary budget, Vice Chairman Yoshihide Suga of the Liberal Democratic Party (LDP) Election Committee told reporters in Tokyo, "20-30 trillion yen would be necessary."

Commenting on an additional economic stimulus package and a supplementary budget, Suga during a TV Asahi talk show said, "We must go in that direction, if the released (economic) figures significantly deteriorate." He then noted, "The size (of the supplementary budget) must be fairly drastic." Deputy LDP Secretary General Nobuteru Ishihara during an NHK TV talk show also said, "We will compile a maximum scale supplementary budget through joint efforts by the ruling and opposition camps. The envisaged supplementary budget needs dynamism."

State Minister for Economic and Fiscal Policy Kaoru Yosano in a speech given in Nankoku City, Kochi Prefecture, said, "The fate of the Japanese economy will become clear in numerical terms tomorrow (16th)."

One government source stressed, "Given the sharp deterioration in the economic situation, it is only natural for the government to compile a large scale extra budget." An aide to the prime minister said: "The nature of additional stimulus measures would change, depending on whether such measures are a simple economic stimulus package or a package with focus on employment and improving people's lives. The prime minister will make the final decision, based on discussions pursued by the ruling parties."

The size of projects in the economic stimulus package, including the flat-sum cash handout scheme compiled by the Aso cabinet last October, is roughly 27 trillion yen. Fiscal spending in real terms (real spending) is approximately 5 trillion yen with financial resources drawn from the fiscal 2008 second extra budget. Fiscal resources for the fresh economic stimulus package will likely be financed with a supplementary budget. The compilation of the supplementary budget will be looked into with an eye on a maximum scale.

G-7 MEETING

TOKYO 00000351 017 OF 019

21) Finance Minister Nakagawa slurs his words at G-7 press conference

February 16, 2009

Akio Fujiwara, Rome

Following the Group of Seven meeting of finance ministers and central governors that ended on the afternoon of Feb. 14 in Rome, Finance Minister and Financial Services Minister Shoichi Nakagawa attended a press conference. But apparently in bad shape, he slurred his words repeatedly in the press meeting. The cause -- jet lag, fatigue, or something else -- is unknown. "What's wrong with him?" even an Italian government official said.

Nakagawa attend the press conference along with Bank of Japan Governor Masaaki Shirakawa and others. At one point, he cut in on a journalist's question to Shirakawa, saying, "What? Say it again." At another point, he tried to confirm the position of a reporter, asking him, "Where are you?" Nakagawa's awkward behavior stood out.

There was a scene in which he said with difficulty: "We were ... we were briefed by ... briefed by the United States ... on its measures."

22) U.S. Secretary of Treasury makes his debut on international stage - G-7: Held talks with finance ministers of various countries before meeting; Busy explaining Buy American clause, while stressing need to prevent protectionism

NIKKEI (Page 3) (Full)
Evening, February 14, 2009

Prior to the meeting of the Group of Seven (G-7) finance ministers and central bankers, U.S. Secretary of the Treasury Geithner on February 13 vigorously met separately with the finance ministers of various countries at a hotel in Rome. During those meetings, Secretary Geithner explained how the U.S. was tackling its economic stimulus bill, now being deliberated by the Congress, and its financial stabilization package that includes purchasing sovereign loans by a government-private sector joint fund. With growing international concern about the stimulus package's Buy American clause, which mandates the use of U.S.-made products in implementing stimulus measures, Geithner reiterated the U.S. administration's stance of preventing the emergence of protectionism.

The G-7 meet was the first international financial conference since the inauguration of the Obama administration. Secretary Geithner makes his debut on the international stage with this event. The series of meetings which included a luncheon, allowed Geithner to actively exchange views finance ministers of various countries on U.S. measures to stabilize the financial market and ways to prevent the emergence of protectionism.

According to the U.S. Department of the Treasury, Geithner met with finance ministers of Japan, Germany, Britain and Russia. With the U.S. stimulus measures and financial stabilization in mind, he had intended to seek a bold action from those countries in cooperating with the U.S. However, following rapidly growing concern about the

TOKYO 00000351 018 OF 019

U.S. leaning toward protectionism, Geithner found himself busy explaining the Buy American clause.

He did not speak Japanese at all during the talks with Finance Minister Shoichi Nakagawa. He reportedly made no special requests to Japan regarding the analysis of the present state of the Japanese economy or Japan's management of its economic policies.

23) Japan-U.S. finance ministerial: Agreement on eliminating protectionism; Cooperation or rebuilding economies

NIKKEI (Page 1) (Full)
Evening, February 14, 2009

Takeshi Kawanami, Rome

Finance Minister Shoichi Nakagawa on the evening of February 13 (early hours of the 14th, Japan time) met with U.S. Secretary of the

Treasury Geithner ahead of the G-7 meeting. Both agreed to eliminate protectionist measures in global trade, which will impede free trade. They also took a stance of closely cooperating with each other to rebuild financial markets and economies, expressing a sense of alarm about the rapidly worsening the economic situation.

This was the first direct meeting between the finance ministers of Japan and the U.S. since the inauguration of the U.S. Obama administration. During the meeting, Nakagawa, referring to a "Buy American" clause in the U.S. stimulus bill, pointed out, "Not only Japan but also other countries are worried about the proposed clause." He said, "We must confront protectionism with a firm determination, applying our self-reflection on the Great Depression (in the 1930's)." Secretary Geithner expressed his determination to cooperate to eliminate protectionism, noting, "I definitely agree with you. President Obama shares this stance."

Referring to the "Buy American" clause, Nakagawa during a press briefing held after the 30-minute meeting with Geithner said, "The secretary said that the U.S. will act in compliance with rules under the World Trade Organization (WTO). I would like to pay close attention to U.S. moves."

Nakagawa explained the situation in the domestic economy, saying, "The economic situation in Japan is rapidly becoming severe." Geithner also indicated his perception of the U.S. economy: "The financial system is in deep trouble. The production sector is also deteriorating."

Explaining the financial stabilization package, which incorporates the purchases of non-performing loans by a government-private sector joint fund, Geithner said, "It is important to use private sector know-how." He also underscored, "We will also discuss measures to recapitalize our financial base with an eye on 5-10 years ahead."

24) Treasury Secretary Geithner makes a bittersweet debut at G-7 meeting

MAINICHI (Page 7) (Full)
February 15, 2009

Yotaro, Fujiyoshi, Rome

TOKYO 00000351 019 OF 019

U.S. Secretary of the Treasury Timothy Geithner attended a meeting of Group of Seven (G-7) finance ministers and central bank governors. He energetically held bilateral talks, but he was hounded for an explanation about protectionist moves by the U.S. Congress. He made a bittersweet debut on the international stage.

Geithner assumed office when the administration of President Barack Obama was launched in January. He intended to call on the participants in the G-7 meeting to cooperate in containing the ongoing global financial, bringing in the measures to stabilize the U.S. financial market and the large-scale economic stimulus package he had announced himself as a present.

However, the market responded severely to the financial stabilization package, criticizing it as containing few specific measures. In the G-7 meeting, too, French Finance and Economy Minister Christine Lagarde insisted: "Detailed contents and the timing for implementing them should be clearly mentioned in the package."

Over the "Buy American" provision inserted in the stimulus package by Congress, as well, Japanese Finance Minister and State Minister for Financial Services Shoichi Nakagawa and others voiced concern when they met Geithner separately. Geithner was defensive, replying: "The President and I share the view that (the provision) is a problem."

ZUMWALT